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August 3, 2009

VIA ELECTRONIC-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Proceeding for Approval of the Public Utility Regulatory Policies Act of 1978 (PURPA) Avoided Cost Rates for Electric Companies. Application of Progress Energy Carolinas, Inc. (PEC) for Approval of its Revised Cogeneration and Small Power Producer Schedule CSP-26
Docket No. 1995-1192-E

Dear Mr. Terreni:

The Office of Regulatory Staff ("ORS") has reviewed the above-referenced filing and has no objection to the request of PEC for approval to revise its Cogeneration and Small Power Producer Schedule. The proposed Schedule has been updated to reflect increases in the Energy and Capacity Credits that are paid to Qualifying Facilities under PURPA. These increased Credits result from increases in the Company's avoided cost. The On-Peak and Off-Peak Energy Credits as well as the Summer and Winter Months Capacity Credits are the only modifications proposed to be made to the Schedule. ORS reviewed the supporting documentation for the increased Credits and takes no exception to the proposed updated amounts.

Thank you for the opportunity to provide comments in this matter.

Sincerely,

John W. Flitter

JWF/swb

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Chief Counsel and Director of Legal Services, SC ORS
Shealy Boland Reibold, Esquire, SC ORS
Len S. Anthony, General Counsel – Regulatory Affairs, Progress Energy Carolinas
Dr. James Spearman, Executive Assistant, SC PSC